July 20, 2023

India Shelter Finance Corporation Limited: Rating withdrawn for PTCs under securitisation transaction issued by Elbe SBL IFMR Capital 2017, backed by a pool of mortgage loan receivables

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Elbe SBL IFMR Capital 2017	PTC Series A2	29.04	6.17	0.00	[ICRA]AA+(SO); Withdrawn
	PTC Series A3	1.80	1.80	0.00	[ICRA]AA(SO); Withdrawn

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under a mortgage loan receivables transaction originated by India Shelter Finance Corporation Limited {ISFC; rated [ICRA]A+ (Stable)} as tabulated above. All the payouts to the investors in the above-mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of surveillance exercise is available at the following link: Click here

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

ISFC is a housing finance company incorporated in 1998 as Satyaprakash Housing Finance. The company was acquired by the current investors in September 2009. It is focused on the low-cost and affordable housing segment, targeting self-employed customers in the informal low-and-middle-income segment. As on March 31, 2023, the company is spread across 15 states/Union Territories. It offers loans to customers for home improvement, home extension, construction of dwelling units on an owned plot of land, home purchase and loan against property (LAP). ISFC had incorporated wholly owned subsidiary in March 2022 – India Shelter Capital Finance Limited – for the purpose of lending as a non-banking financial company (NBFC) catering to the LAP segment, subject to regulatory approvals.

ISFC reported a profit of Rs. 155 crore in FY2023 on assets under management (AUM) of Rs. 4,359 crore as on March 31, 2023 vis-à-vis a profit of Rs. 128 crore in FY2022 on AUM of Rs. 3,073 as on March 31, 2022. The gross and net non-performing advances (NPAs) stood at 1.1% and 0.9%, respectively, as on March 31, 2023

Key financial indicators (audited)

	FY2021	FY2022	FY2023
Net interest income	178	245	324
Profit after tax	87	128	155
AUM (incl. assigned portfolio; IGAAP valuation)	2,199	3,073	4,359
Gross non-performing assets (NPA)	1.8%	2.1%	1.1%
Net NPA	1.3%	1.6%	0.9%

Source: Company data, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years		
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					July 20, 2023	July 28, 2022	July 27, 2021	August 31, 2020
1	Elbe SBL IFMR Capital 2017	PTC Series A2	29.04	0.00	**[ICRA]AA+(SO); Withdrawn**	**[ICRA]AA+(SO)**	**[ICRA]AA-(SO)**	**[ICRA]AA-(SO)**
		PTC Series A3	1.80	0.00	**[ICRA]AA(SO); Withdrawn**	**[ICRA]AA(SO)**	**[ICRA]A(SO)**	**[ICRA]BBB+(SO)**

Complexity level of the rated instrument

Instrument	Complexity Indicator
PTC Series A2	Moderately Complex
PTC Series A3	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: Click Here

Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Elbe SBL IFMR Capital 2017	PTC Series A2	June 2017	10.25%	March 2031	0.00	[ICRA]AA+(SO); Withdrawn
	PTC Series A3		13.00%		0.00	[ICRA]AA(SO); Withdrawn

Source: *Company*

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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